MEIKLES LIMITED

AUDITED RESULTS FOR THE PERIOD ENDED 31 MARCH 2011

CHAIRMAN'S STATEMENT

OPERATING ENVIRONMENT

The economy has continued to stabilise following dollarisation in February 2009 albeit at a slow pace. Annual inflation declined to 2.7% in March 2011 from 3.2% in December 2010. The inflation outlook remains positive although negative changes are to be expected due to volatilities in fuel and electricity prices and movement in exchange rates particularly the South African rand against the US dollar. The liquidity situation has remained dire due to limited foreign direct investments and multilateral support from the Bretton Woods institutions and/or the donor community. Borrowings have become the most common form of funding due to lack of liquidity and confidence in capital markets. As a result of the low liquidity and high demand for loans, interest rates remained relatively high during the period January 2010 to 31 March 2011 with negative implications on productivity and performance across all sectors of the economy.

GROUP REVIEW

During the past year, we committed to the implementation of measures required to move beyond the substantial challenges that we experienced in 2008 and 2009.

I am happy to report to shareholders that the unpleasant litigation initiated by the previous Board of Directors against persons and entities related to the major shareholders in the company and against Mentor Africa Limited ("Mentor") has been settled. We have now entered a new era of cooperation with the parties to the litigation.

Mentor currently holds funds on behalf of the Cape Grace Group to the equivalent value of USD 4,5 million. These funds will comprise equity in Mentor which has a thriving business in South Africa. It is anticipated that this investment will produce significant returns for the Group.

The Board anticipates that the Group's investment in Mentor will produce significant opportunities similar to those that the Group achieved from its prior investment in Mvelaphanda/Rebhold.

The Mvelaphanda shares were realised for the Meikles Group at a significant profit. This profit was utilised to discharge obligations of the Cape Grace entities to the South African Revenue Service and Nedbank when the Cape Grace financing structure was unbundled ensuring the financial survival of the Cape Grace Hotel, which was under risk at the time.

In March 2008, a put and call option agreement for the sale of the Cape Grace Hotel was entered into between Meikles Limited ("Company"), Cape Grace Hotel Limited (BVI) and its subsidiaries which owns the Cape Grace Hotel on the one hand, and Mentor on the other. In November 2008, a notice to exercise the option for the purchase of the Meikle Group's interests in the Cape Grace Group was received from Mentor. This transaction has not yet been consummated as a consequence of the litigation that was initiated by the previous Board against Mentor, which has now been withdrawn.

The Cape Grace Hotel remains an asset for disposal by the Cape Grace Group to Mentor. As a result of the restoration of a positive business relationship between the Company, its major shareholders, and Mentor, it is anticipated that a deal beneficial to the Group will be consummated with whatever adjustments may be necessary. Proceeds from the sale are also to be invested in Mentor. This investment will be the foundation of a strong regional growth objective for the Group.

In response to the litigation brought against the major shareholder entities by the Company and BVI in late 2008, the major shareholder entities filed a substantial answering affidavit in which they put up a complete defense. The previous Board and BVI were unable to file replying affidavits because the major shareholder entities' defenses were meritorious. As a result, the Company and BVI had no alternative but to withdraw the litigation against the major shareholder entities.

As a consequence of the litigation initiated by the previous Board, certain provisions were made in the Group financial statements for the year ended 31 December 2009. The outcome of the litigation has allowed a recoverable sum denominated in South African rand to the equivalent of US$11.7 million to be reinstated in the current financials.

Now that the issues with the major shareholder entities have been resolved and no further claims will be made against them, it is known that the principals of the Company's major shareholders will use their influence and business connections positively to procure investment opportunities for the Group that will provide opportunities for growth, as was planned prior to the dispute. Shareholders are once again reminded of the substantial profit arising from the Mvelaphanda shareholding, and the same skills are now once again available to the Group.

For the fifteen months period to 31 March 2011, the Group recorded total comprehensive income of US$ 8.0 million (2009: loss of $2.7 million). This outturn includes the loss on the disposal of Kingdom and Cotton Printers to the tune of US$3.8 million. The discontinued operations achieved a profit after tax of US$2.5 million (12 month period ended 31 December 2009, a loss of US$908 000).

On comparative twelve month periods the operating companies achieved a good growth in turnover and gross margin. The Group continues to review systems, structures and processes to optimum levels. Together with the right siting of the operating companies, these efforts will bear fruit in the coming year.

The commentary below is based on the results for the comparable twelve month periods ended 31 March 2011 and 31 March 2010.

TM SUPERMARKETS ("TM")

The Company achieved an EBITDA of US$3.9 million (2010: loss of US$5.9 million). Turnover was up 42% on the comparative period and gross margin improved by 23%. Some non performing branches were closed while new branches were opened in more sustainable areas.

The much awaited Pick 'n Pay deal is still to be approved by the regulatory authorities. This has seriously hindered our ability to re-capitalise TM. However, we are progressing with alternative funding which will enable us to revamp stores and will ensure adequate levels of working capital.

Potential new sites have been identified for three key stores and details of these will be disclosed at the opportune time. The Kamfinsa branch is currently undergoing major refurbishment.

Pick 'n Pay Clothing will be introduced to TM in the coming months which will enhance the range and value offered.

Point of sale tills have been installed in all branches and this is now providing us with the tools to effectively manage branch performance and profitability.

This subsidiary will be a major contributor to the Group going forward and both shareholders in TM are committed to ensuring that the company has a strong capital base.

HOTELS

The Hotels recorded an EBITDA of US$3.2 million (2010: US$2.3 million). Of this amount, US$1.5 million (2010: loss of US$400 000) was from Zimbabwe operations, while EBITDA of US$1.7 million (2010: US$2.7 million) was from the Cape Grace Hotel.

Occupancy levels in 2011 were 43%, 45% and 66% (2010 - 30%, 29%, 57%) for Meikles Hotel, the Victoria Falls Hotel and Cape Grace Hotel, respectively. Occupancies to date have shown further growth reflecting the strong interest in Zimbabwe as both a tourist and business destination.

Funding is in place for the first phase of the refurbishment of Meikles Hotel and this will begin in the next two months. Further funding is being sought for the complete refurbishment of the hotel.

Scope of work for a refurbishment of the Victoria Falls Hotel has been completed and we are engaged with our partner to finalise this project and to seek medium term to long term funding for its completion.

We are actively exploring new opportunities both in Zimbabwe and in the region. The regional opportunities are being explored in conjunction with Mentor.

TANGANDA TEA COMPANY LIMITED ("TANGANDA")

Tanganda achieved an EBITDA of US$502 000 (2010: US$1.6 million).
Bulk tea production was 8 502 tonnes (2010: 8 458 tonnes), due to reduced winter rains and late summer rains. The production of bulk tea remains a challenge given high power and labour costs. To correct an inability to irrigate sufficiently, due to constant power outages, we have participated in a pre-paid power arrangement with the Zimbabwe Electricity Supply Authorities and the result has been extremely positive.

Our mineral water plant financed by PTA Bank will be commissioned in due course and production levels are expected to increase. We continue to drive sales of beverage teas and water to the local and regional markets and these efforts will be felt in the coming year. We are increasing our hectarage of macadamias and are embarking on a substantial development of avocados, and this will also be included in our outgrowers programmes. Increased planting has started and the benefits of this will be felt in the medium to long term.

Tanganda continues to receive approaches from interested parties, who wish to engage with us in the creation of further growth opportunities. This will result in a more substantial agro industrial company. It is envisaged that the Group will introduce additional investors in Tanganda which will facilitate substantial growth in this important entity.

THOMAS MEIKLE STORES

The department stores achieved an EBITDA loss of US$15 000 (2010: loss of US$3.6 million). Turnover grew from US$6 million to US$17 million in 2011.

Funding challenges are still prevalent but progress is being made in securing medium term lower cost finance.

Non performing stores will be closed, resulting in reduced overheads and reduced finance levels required for stock holdings.

We are pursuing franchise relationships with major retailers in the region to enhance our offerings.

INDIGENISATION

The Group has constructively engaged with the Ministry of Youth Development, Indigenisation and Empowerment on the Group's indigenisation status. A proposed Employee Share Ownership Trust has been submitted to the Ministry and we are waiting for a favourable response. Shareholders will be asked to approve this proposal at the forthcoming Annual General Meeting. The Group will as a result possess the required indigenisation status. This status has always been the Group's objective. This was the original concept following the merger with Kingdom Financial Holdings Limited.

RE-CAPITALISATION

The Board is cognisant of the fact that current levels of borrowing are greater than they should be in the medium term. The Group has engaged with numerous interested parties who have indicated a strong interest in participating in medium to long term debt, at lesser cost, than current borrowings.

The resolution of the shareholder issues and approval of our indigenisation plan by the Ministry of Indigenisation will enable us to engage actively with these parties and new more sustainable financing will be obtained during the coming year.

The Group is also to engage with potential investors at subsidiary level for the sale of equity to inject fresh capital into the business and to fund expansion. We shall maintain a controlling interest in all subsidiaries. Interest has been expressed by potential investors, now that the damage caused during 2008 and 2009 has been put behind us.

We are actively engaging the Reserve Bank of Zimbabwe for the recovery of our deposit totalling US$37 million.

LIQUIDATION OF COTTON PRINTERS (PRIVATE) LIMITED ("CP")

The final order for the liquidation of CP was issued on 10 May 2010. With it came the liquidation process which for all intents and purposes was concluded on 17 May 2011. All approved creditors were paid 100% of their dues from the proceeds of the asset disposals. At the conclusion of the liquidation, plant and equipment remained unsold. These assets are still available for sale to prospective investors.

DE-MERGER OF KINGDOM FINANCIAL HOLDINGS LIMITED ("KFHL")

The shareholders approved the terms of the de-merger of KFHL from Meikles Limited ("Group") on 13 October 2010. The terms included conditions precedent such as High Court approval of the reduction of KFHL's share capital by US$22.5 million and also approval of the de-merger by the Minister of Youth Development and Indigenisation. The High Court approval for the capital reduction was secured on 14 December 2010 while the approval by the Minister of Youth Development, Indigenisation and Empowerment was obtained on 11 February 2011. The de-merger through the distribution of KFHL's shares to the Company's shareholders was finalised on 18 February 2011.

CHANGE IN FINANCIAL YEAR END

As previously announced, Meikles Limited changed its financial year end from 31 December to 31 March. Accordingly, the Group has published fifteen months results for the period to 31 March 2011.

THE WAY FORWARD

Recent years have presented our Group with some of the strongest challenges in our history. We are taking the actions required to put Meikles in a good position to operate as a strong, expanding company and an important source of strength in the Zimbabwean economy.

Challenges remain, but we have a strong conviction that we have the right strategies in place to ensure that Meikles will now be able to deliver superior value to all of our stakeholders on a sustained basis.

We have been assured that our brand has a very strong appeal in both Zimbabwe and the region and potential opportunities are now coming our way.

We are proud of the role that our Group has played in our society, and we're determined to take the actions required to ensure that Meikles is a consistent source of strength for all our stakeholders and for Zimbabwe. The past three years have been destructive in the initial periods and then defensive in the more recent period. We are now in a position to move forward with real intent.

APPRECIATION

The past year was certainly eventful and challenging particularly the issues to do with the widely reported shareholder dispute. The resolution of these matters could not have been achieved without the support and guidance of the regulatory authorities, shareholders and fellow board members. Management and staff have worked under extremely difficult conditions and their efforts to support the Group through a difficult period are much appreciated.

Our appreciation is extended to Messrs Meiring and Mills who have resigned from the Board and left the Group. We wish them well in their future endeavours.

Finally, I wish to express our special appreciation to Farai Rwodzi. Farai became a director and Chairman of the Company at a time when the shareholder dispute was very much present with a daily impact on the Group's affairs. Farai played a substantial role in moving the Group from its then restraints to the present. Farai fought very hard for us all and his efforts in this regard will always be remembered with gratitude. He is now to focus on his own interests and we wish him every success in this regard.

J R T MOXON
CHAIRMAN

16 June 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2011

	15 months to 31 March 2011 US$	Restated 12 months to 31 December 2009 US$
CONTINUING OPERATIONS		
Revenue	330,437,331	148,838,120
Cost of sales	(257,658,238)	(119,005,212)
Gross profit	72,779,093	29,832,908
Other trading income	4,177,687	2,371,464
Employee costs	(38,544,663)	(16,723,178)
Occupancy costs	(15,941,464)	(9,191,833)
Other operating costs	(28,518,141)	(16,929,922)
Operating loss	(6,047,488)	(10,440,561)
Investment revenue	3,592,710	695,685
Finance costs	(7,590,331)	(425,048)
Net exchange (losses) / gains	(228,825)	145,428
Fair value adjustments	1,394,398	2,081,234
Reinstatement of funds earmarked for future investment	11,737,013	-
Profit / (loss) before tax	2,857,477	(7,943,262)
Income tax credit	793,382	5,288,669
Profit / (loss) for the period from continuing operations	3,650,859	(2,654,593)
Profit / (loss) for the period from discontinued operations	2,474,066	(908,040)
PROFIT/ (LOSS) FOR THE PERIOD	6,124,925	(3,562,633)
Other comprehensive income		
Exchange differences on translating foreign operations	1,888,711	3,376,261
Impairment of property	-	(1,641,125)
Movement in other reserves	-	(903,852)
Other comprehensive income for the period, net of tax	1,888,711	831,284
TOTAL COMPREHENSIVE PROFT / (LOSS) FOR THE PERIOD	8,013,636	(2,731,349)
Profit / (loss) attributable to:		
Owners of the parent	6,687,285	(2,856,610)
Non-controlling interests	(562,360)	(706,023)
	6,124,925	(3,562,633)
Total comprehensive proft / (loss) attributable to:		
Owners of the parent	8,575,996	(2,025,326)
Non-controlling interests	(562,360)	(706,023)
	8,013,636	(2,731,349)
Earnings / (loss) per share (cents)		
Basic earnings / (loss) from continuing and discontinued operations (cents per share)	2.73	(1.16)
Basic earnings/ (loss) from continuing operations (cents per share)	1.72	(0.79)

The 2009 figures have been restated for reasons detailed in note 7.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	31 March 2011 US$	Restated 31 December 2009 US$	Unaudited Restated 1 January 2009 US$
ASSETS			
Non-current assets			
Property, plant and equipment	84,278,008	80,530,695	94,371,296
Investment property	44,036	72,046	394,000
Biological assets	7,661,157	6,310,560	4,999,548
Investments in associates	-	-	1,025,929
Other financial assets and investments	16,600,101	4,554,984	4,449,894
Intangible assets – trademarks	124,141	291,363	268,573
Balances with Reserve Bank of Zimbabwe	36,824,671	12,541,825	35,003,091
Deferred tax	2,355,680	-	-
Total non-current assets	147,887,794	104,301,473	140,512,331
Current assets			
Inventories	40,712,631	17,115,270	5,063,570
Trade and other receivables	16,152,929	7,333,889	10,128,432
Other financial assets	-	24,198	787,605
Cash and bank balances	3,285,599	2,536,106	16,488,848
	60,151,159	27,009,463	32,468,455
Assets held for sale or distribution	41,440,281	145,438,959	31,574,908
Total current assets	101,591,440	172,448,422	64,043,363
Total assets	249,479,234	276,749,895	204,555,694
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	2,453,747	1	1
Non-distributable reserves	2,626,681	109,983,720	150,941,736
Retained earnings / (accumulated losses)	111,204,769	(21,325,383)	(19,221,260)
Capital and reserves relating to assets classified as held for sale or distribution	18,083,232	51,658,125	10,621,312
Equity attributable to equity holders of the parent	134,368,429	140,316,463	142,341,789
Non-controling interests	763,422	1,325,782	2,031,805
Total equity	135,131,851	141,642,245	144,373,594
Non-current liabilities			
Borrowings	3,749,569	845,173	212,184
Deferred tax	15,996,723	15,346,508	24,318,471
Total non-current liabilities	19,746,292	16,191,681	24,530,655
Current liabilities			
Trade and other payables	30,003,922	22,888,135	5,244,016
Customer deposits	-	-	17,029,804
Current tax liabilities	487,727	414,152	117,890
Short term borrowings	49,031,109	6,985,213	769,330
	79,522,758	30,287,500	23,161,040
Liabilities relating to assets classified as held for sale or distribution	15,078,333	88,628,469	12,490,405
Total current liabilities	94,601,091	118,915,969	35,651,445
Total liabilities	114,347,383	135,107,650	60,182,100
Total equity and liabilities	249,479,234	276,749,895	204,555,694

The 2009 figures have been restated for reasons detailed in note 7.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2011

	Share capital US$	Non distributable reserves US$	(Accumulated losses)/ retained earnings US$	Disposal group capital and reserves US$	Attributable to owners of parent US$	Non controlling interests US$	Total US$
2011							
Balance at the beginning of the period - restated	1	109,983,720	(21,325,383)	51,658,125	140,316,463	1,325,782	141,642,245
Profit for the period	-	-	4,213,219	2,474,066	6,687,285	(562,360)	6,124,925
Transfer within reserves and on disposal of subsidiaries	-	(109,850,773)	146,859,490	(37,008,717)	-	-	-
Other comprehensive income for the period	-	855,472	-	1,033,239	1,888,711	-	1,888,711
Share capital redenomination	2,453,746	(2,453,746)	-	-	-	-	-
Transfer in respect of assets classified as held for sale	-	4,092,008	(4,018,527)	(73,481)	-	-	-
Dividend in specie	-	-	(14,524,030)	-	(14,524,030)	-	(14,524,030)
Balance at the end of the period	2,453,747	2,626,681	111,204,769	18,083,232	134,368,429	763,422	135,131,851
2009							
Balance at the beginning of the year as previously stated - unaudited	1	148,118,994	(19,221,260)	10,621,312	139,519,047	2,031,805	141,550,852
Adjustment to nursery stocks	-	(502,196)	-	-	(502,196)	-	(502,196)
Write down of other receivables	-	(152,007)	-	-	(152,007)	-	(152,007)
Restatement of certain plant and equipment	-	3,476,945	-	-	3,476,945	-	3,476,945
As restated	1	150,941,736	(19,221,260)	10,621,312	142,341,789	2,031,805	144,373,594
Loss for the period - restated	-	-	(1,948,570)	(908,040)	(2,856,610)	(706,023)	(3,562,633)
Other comprehensive income for the period	-	773,591	-	57,693	831,284	-	831,284
Transfer in respect of assets classified as held for sale or distribution	-	(41,731,607)	(155,553)	41,887,160	-	-	-
Balance at the end of the period	1	109,983,720	(21,325,383)	51,658,125	140,316,463	1,325,782	141,642,245

The 2009 figures have been restated for reasons detailed in note 7.

MEIKLES LIMITED

AUDITED RESULTS FOR THE PERIOD ENDED 31 MARCH 2011

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2011

	31 March 2011 US$	Restated 31 December 2009 US$
Continuing and discontinued operations		
Cash flows from operating activities		
Profit/ (loss) before tax from continuing and discontinued operations	**6,637,964**	(9,511,707)
Adjustments for:		
- Depreciation expense and impairment	**5,388,114**	4,457,620
- Net interest	**4,921,007**	(1,032,285)
- Dividend received	**(1,470,742)**	-
- Net exchange gains	**422,743**	(100,972)
- Loss on disposal of subsidiaries	**3,842,146**	-
- Fair value adjustments	**1,977,980**	(3,146,077)
- Share of profits of associates	**(666,038)**	(1,355,561)
- Loss on disposal of property, plant and equipment	**787,289**	61,612
- Reinstatement of funds earmarked for future investments	**(11,737,013)**	-
Operating cash flow before working capital changes	**10,103,450**	(10,627,370)
Increase in inventories	**(23,641,946)**	(12,353,587)
Increase in trade and other receivables	**(71,806,512)**	(43,259,155)
Increase in trade and other payables and financial liabilities	**56,277,836**	72,455,998
Cash (used in) / generated from operations	**(29,067,172)**	6,215,886
Income taxes paid	**(2,019,495)**	(168,610)
Net cash (used in) / generated from operating activities	**(31,086,667)**	6,047,276
Cash flows from investing activities		
Payment for property, plant and equipment	**(11,439,443)**	(5,386,464)
Proceeds from disposal of property, plant and equipment	**1,788,716**	118,247
Net movement in service assets	**(65,325)**	(51,632)
Dividends received	**1,470,742**	454,768
(Payment for) / proceeds from sale of investments	**(151,620)**	378,067
Expenditure on biological assets	**(205,636)**	(229,973)
Net outflow on disposal of subsidiary	**(16,433,887)**	-
Development expenditure	**-**	(22,783)
Investment income	**249,853**	31,496
Net cash used in investing activities	**(24,786,600)**	(4,708,274)
Cash flows from financing activities		
Proceeds from interest bearing borrowings	**44,017,194**	7,767,865
Finance costs	**(7,600,557)**	(771,776)
Net cash generated from financing activities	**36,416,637**	6,996,089
Net (decrease) / increase in cash and bank balances	**(19,456,630)**	8,335,091
Cash and bank balances at the beginning of the period	**25,508,890**	16,556,006
Net effect of exchange rate changes on cash and bank balances	**(436,011)**	71,992
Translation of foreign entity	**(831,723)**	545,801
Cash and bank balances at the end of the period	**4,784,526**	25,508,890

The 2009 figures have been restated for reasons detailed in note 7.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Meikles Limited, formerly Kingdom Meikles Limited (the Company), is a limited company incorporated in Zimbabwe and is listed on the Zimbabwe and London Stock Exchanges. The principal activities of the Company and its subsidiaries (the Group) are hotel, retail and agriculture operations.
The financial statements are presented in United States of America dollars (US$) being the currency of the primary economic environment in which the Group operates.

The Group changed its year-end from 31 December to 31 March. As a result, these financial statements are for a 15 month period while the comparatives are for a 12 month period.

2. Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared from statutory records that are maintained under the historical cost convention as modified by the revaluation of property, plant, equipment, biological assets and financial instruments which are measured at fair value in the opening statement of financial position.
The Group changed its functional currency from Zimbabwe dollars on 1 January 2009 to United States of America dollars (US$). The Group is resuming presentation of IFRS financial statements after the Group issued financial statements in the prior reporting period ended 31 December 2009 which could not include an explicit and unreserved statement of compliance with IFRS due to the effects of severe hyperinflation. The Group has early adopted the amendments to IFRS 1 and is therefore applying that standard in returning to compliance with IFRS.

2.1 Exemption for fair value as deemed cost
The Group elected to measure certain items of property, plant and equipment, biological assets, bank balances and cash, inventories, other financial assets, other financial liabilities and trade and other payables at fair value and to use the fair values as the deemed cost of those assets and liabilities in the opening statement of financial position.

2.2 Comparative financial information
The financial statements comprise three statements of financial position, two statements of comprehensive income, two statements of changes in equity and two statements of cash flows as a result of the retrospective application of the amendments to IFRS 1. The comparative statements of comprehensive income, changes in equity and cash flows are for twelve months.

2.3 Reconciliation to previous basis of preparation
The Group's financial statements for the prior period ended 31 December 2009 claimed compliance with IFRS, except certain of the requirements of IAS 1 *Presentation of Financial Statements*, IAS 21 *The Effects of Changes in Foreign Exchange Rates*, and IAS 29 *Financial Reporting in Hyperinflationary Economies*. Certain prior year errors were identified during the period and a reconciliation of the amounts previously stated and the restated amounts is presented in note 7.

3. Accounting policies

The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous year.

4 .Share Capital

At the Annual General Meeting held on 23 July 2010, the shareholders authorised a redenomination of the authorised share capital of the Company from 10 Zimbabwe cents per share (that is Z$ prior to any restatement to address inflation) to US1 cent per share. Shareholders further authorised that a transfer be made from non-distributable reserves to share capital of an amount sufficient to fund the redenomination.
In 2009, share capital was presented as US$1 pending the aforesaid redenomination.

5. Discontinued operations

Demerger of Kingdom Financial Holdings Limited (KFHL) from the Group.
Following the 13 October 2010 EGM of the Company and subsequent court and regulatory approvals, KFHL was demerged from the Group effective 31 October 2010.

Voluntary liquidation of Cotton Printers (Private) Limited.
Cotton Printers was liquidated during 2010. The company had encountered significant viability problems pre and post dollarisation resulting in it applying for voluntary liquidation in October 2009. The order for final liquidation was granted on 10 May 2010. Cotton Printers did not trade during the period.

Cape Grace Hotel operations in South Africa
In March 2008, a binding put and call option agreement for the sale of the Cape Grace Hotel to Mentor was entered into between Meikles, Cape Grace Hotel Limited (BVI) and its subsidiaries which own the Cape Grace Hotel on the one hand, and Mentor on the other. In November 2008, a notice to exercise the option for the purchase of Meikles Group's interests in the Cape Grace Group was sent from Mentor to Meikles, and receipt thereof was acknowledged by Meikles. This resulted in a legally binding agreement for the purchase by Mentor of the Cape Grace Hotel. The consummation and implementation of this transaction was delayed as a consequence of the litigation initiated by Meikles against Mentor, which litigtion has now been settled and withdrawn. Mentor stands ready to comply with its obligation to purchase the Cape Grace Hotel as a result of the binding agreement referred to aforesaid, and is ready to consummate such transaction and deliver the proceeds of the sale against the delivery of the Cape Grace Hotel in compliance with the agreement.

5.1 Loss for the period from discontinued operations:

	Group 31 March 2011 US$	Group 31 December 2009 US$
Revenue	**21,137,436**	13,856,206
Net interest	**6,518,823**	6,287,976
Fees and commissions	**18,271,363**	5,281,660
Other gains	**4,711,984**	6,225,105
Total income	**50,639,606**	31,650,947
Expenses*	**(43,016,973)**	(33,219,392)
Profit / (loss) before tax	**7,622,633**	(1,568,445)
Income tax	**(1,306,421)**	660,405
Profit / (loss) for the period from discontinued operations	**6,316,212**	(908,040)
Loss on disposal of subsidiaries	**(3,842,146)**	-
Profit / (loss) for the period from discontinued operations (attributable to owners of the parent)	**2,474,066**	(908,040)
Other comprehensive income		
Exchange difference on translating foreign entities	**1,033,239**	1,696,818
Losses on property revaluations	**-**	(1,641,125)
Movement in other reserves	**-**	2,000
Other comprehensive income for the period, net of tax	**1,033,239**	57,693
Total comprehensive profit/ (loss) for the period	**3,507,305**	(850,347)

*The expenses exclude depreciation expenses of US$3,220,794 (2009: US$2,091,470) which has been written back in line with the requirements of IFRS5.

	31 March 2011 US$	31 December 2009 US$
Cash flows from discontinued operations		
Net cash flows from operating activities	**(1,072,229)**	6,301,615
Net cash flows from investing activities	**304,735**	619,241
Net cash flows from financing activities	**(613,708)**	132,296
Net cash (outflows) / inflows	**(1,381,202)**	7,053,152
The loss on disposal of subsidiaries comprises:		
Loss on disposal of Kingdom Financial Holdings Limited	**1,075,926**	-
Loss on disposal of Cotton Printers(Private) Limited	**2,766,220**	-
	3,842,146	-

5.2 Assets classified as held for sale or distribution

Comprising	31 March 2011 US$	31December 2009 US$	Unaudited 1 January 2009 US$
Assets held for sale:			
Cape Grace Hotel group of companies	**39,977,389**	36,847,922	28,037,302
Cotton Printers (Private) Limited	**-**	4,497,374	2,587,606
Motor vehicles*	**1,462,892**	-	-
Assets held for distribution to members:			
Kingdom Financial Holdings Limited	**-**	104,093,663	950,000
Total assets held for sale or distribution	**41,440,281**	145,438,959	31,574,908
Liabilities relating to assets held for sale:			
Cape Grace Hotel group of companies	**15,078,333**	16,363,112	12,490,405
Cotton Printers (Private) Limited	**-**	1,641,364	-
Liabilities relating to assets held for distribution to members:			
Kingdom Financial Holdings Limited	**-**	70,623,993	-
Total liabilities relating to held for sale or distribution	**15,078,333**	88,628,469	12,490,405
Net assets held for sale or for distributions	**26,361,948**	56,810,490	19,084,503
Equity relating to assets held for sale:			
Cape Grace Hotel group of companies	**18,083,232**	14,231,541	10,621,312
Cotton Printers (Private) Limited	**-**	2,766,220	-
Equity relating to assets held for distribution to members:			
Kingdom Financial Holdings Limited	**-**	34,660,364	-
Total equity relating to assets classified as held for sale or distribution	**18,083,232**	51,658,125	10,621,312

*The Group intends to dispose of certain vehicles to staff and anticipates that the disposal will be completed by 31 July 2011.

6. Segment information

	31 March 2011 US$	Restated 31 December 2009 US$
Revenue		
Continuing operations:		
Supermarkets	**274,277,230**	123,549,306
Agriculture	**22,498,476**	12,925,401
Hotels	**15,893,206**	8,277,370
Stores	**19,609,707**	4,086,043
Intra-group sales	**(1,841,288)**	-
	330,437,331	148,838,120
Disposal group:		
Banking	**24,790,186**	11,569,636
Hotels	**21,137,436**	13,684,532
Textiles	**-**	171,674
	45,927,622	25,425,842
(Loss) / profit before tax		
Continuing operations:		
Supermarkets	**(748,684)**	(2,936,322)
Stores	**(5,628,555)**	(3,666,507)
Hotels	**229,877**	(635,962)
Agriculture	**524,037**	2,766,537
Corporate*	**8,480,802**	(3,471,008)
	2,857,477	(7,943,262)
Disposal group:		
Banking	**-**	(1,984,012)
Hotels	**3,315,860**	2,150,501
Textiles	**-**	(1,734,934)
	3,315,860	(1,568,445)

*Included in the corporate profit for the period ended 31 March 2011 is an amount of USD11,737,013 relating to reinstatement of funds held for future investment. These funds will comprise equity in Mentor Africa Limited which has a thriving business in South Africa. It is anticipated that this investment will produce significant returns for the Group.

	31 March 2011 US$	31December 2009 US$	Unaudited Restated 1 January 2009 US$
Segment assets			
Continuing operations:			
Hotels	**28,216,356**	29,283,147	29,745,874
Stores	**64,333,525**	28,920,859	31,129,339
Supermarkets	**43,860,203**	23,034,173	12,021,568
Agriculture	**37,778,493**	32,744,400	27,662,549
Banking	**-**	-	58,446,768
Corporate	**33,850,376**	17,328,357	13,974,688
	208,038,953	131,310,936	172,980,786
Assets classified as held for sale or distribution:			
Banking – assets classified as held for distribution to owners	**-**	104,093,663	950,000
Hotels – assets classified as held for sale (Cape Grace Hotel)	**39,977,389**	36,847,922	28,037,302
Textiles – assets classified as held for sale	**-**	4,497,374	2,587,606
Motor vehicles (see note 5.2)	**1,462,892**	-	-
	41,440,281	145,438,959	31,574,908
	249,479,234	276,749,895	204,555,694
Liabilities			
Continuing operations:			
Hotels	**7,080,837**	22,304,925	42,310,338
Stores	**50,234,041**	5,424,688	5,591,826
Supermarkets	**40,133,298**	17,731,046	2,278,232
Agriculture	**17,160,449**	10,265,874	6,416,440
Banking	**-**	-	21,281,356
Corporate	**(15,339,575)**	(9,247,352)	(30,186,497)
	99,269,050	46,479,181	47,691,695
Classified as held for sale or distribution:			
Banking – liabilities classified as held for distribution to owners	**-**	70,623,993	-
Hotels – liabilities classified as held for sale (Cape Grace Hotel)	**15,078,333**	16,363,112	12,490,405
Textiles – liabilities classified as held for sale	**-**	1,641,364	-
	15,078,333	88,628,469	12,490,405
	114,347,383	135,107,650	60,182,100

7. Prior year adjustments

7.1 Opening balances of property, plant and equipment
During the period errors were identified on the 1 January 2009 carrying amounts of certain property plant, and equipment for the stores and agricultural operations. The assets were omitted from the valuation exercise carried out at 1 January 2009. This has been corrected by the restatement of the 2009 comparatives included in these financial statements.

7.2 Opening balances of biological assets, other receivables and nursery stocks
During the period, it was discovered that the carrying amounts of certain biological assets of the agricultural segment were understated while certain receivables and nursery stocks were incorrectly valued at 1 January 2009, resulting in an overstatement of the opening carrying amounts. The error has been corrected in the comparative statements of financial position.

The effect of the corrections are presented below:

	31 December 2009 US$	1 January 2009 US$
Increase in property, plant and equipment	3,857,888	4,720,756
Increase in biological assets	2,116,946	-
Decrease in inventories	(502,194)	(502,196)
Decrease in receivables	(152,007)	(152,007)
Increase in non-distributable reserves	2,822,742	(3,476,945)
Increase in deferred tax	1,384,559	1,243,811
Decrease in accumulated losses	1,113,332	-

8. Supplementary information

8.1 Supplementary segment information

Presented below are the unaudited segment results for the comparable 12 months periods ended 31 March.

	31 March 2011 US$	31 March 2010 US$
Revenue		
Continuing operations:		
Supermarkets	**228,947,224**	161,249,786
Agriculture	**17,564,220**	15,521,414
Hotels	**13,368,551**	9,203,775
Stores	**17,400,216**	5,885,253
Intra-group sales	**(1,841,288)**	-
	275,438,923	191,860,228
Disposal group:		
Hotels	**16,580,999**	14,365,166
Textiles	**-**	19,192
	16,580,999	14,384,358
Profit / (loss) before tax		
Continuing operations:		
Stores	**(4,403,013)**	(4,846,796)
Supermarkets	**897,244**	(6,477,231)
Hotels	**494,751**	(511,296)
Agriculture	**222,989**	192,771
Corporate*	**4,761,748**	(1,462,540)
	1,973,719	(13,105,092)
Disposal group:		
Hotels	**(302,766)**	590,818
Textiles	**-**	(1,224,391)
	(302,766)	(633,573)

*As explained on note 6 under corporate figures.

	31 March 2011 US$	31 March 2010 US$
EBITDA		
Continuing operations:		
Stores	**(15,120)**	(3,574,358)
Supermarkets	**3,908,768**	5,874,513
Hotels	**1,596,443**	(389,655)
Agriculture	**502,054**	1,554,955

8.2 Other information

	31 March 2011 US$	31 December 2009 US$
Continuing operations:		
Capital expenditure for the period	**10,022,213**	4,643,247
Depreciation and impairment of property, plant and equipment	**4,595,672**	3,030,186
Borrowings	**52,780,678**	7,830,386
Capital commitments authorised but not yet contracted	**25,795,156**	25,042,896

9. Exchange rates

	31 March 2011	31 December 2009
Statement of financial position:		
South African Rand	**6.8045**	7.3967
British Pound	**1.6100**	1.608

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